

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 TRSY-02 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 IO-10 PA-01 PRS-01 AGR-05 /099 W

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R 121120Z SEP 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3030

INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: PINT, PDEB, FR

SUBJECT: NATIONAL ASSEMBLY PASSES GOVERNMENT ECONOMIC  
PROGRAM -- POLITICAL ASPECTS

REF: PARIS 22911

SUMMARY: FOLLOWING A TWO DAY EXTRAORDINARY SESSION  
FEATURING AN ALL NIGHT MARATHON FINALE, THE NATIONAL  
ASSEMBLY HAS APPROVED BY A VOTE OF 300 TO 182 PRESIDENT  
GISCARD D'ESTAING'S ECONOMIC PACKAGE. ALTHOUGH  
ESSENTIALLY A PARLIAMENTARY NON-EVENT, WITH THE VOTE  
DIVIDING STRICTLY ALONG MAJORITY-OPPOSITION LINES, THE  
SESSION DEMONSTRATED THE EXTENT TO WHICH FRENCH  
POLITICAL FISSURES HAVE HARDENED ON THE QUESTION OF  
HOW BEST TO PULL THE NATION OUT OF ITS CURRENT  
ECONOMIC DIFFICULTIES. END SUMMARY.

1. THE GOF PLAN: IN HIS DETAILED PRESENTATION OF THE  
GOVERNMENT'S PLAN (SEE REFTTEL) PRIME MINISTER CHIRAC  
CAME OUT SWINGING. WITH INFLATION DOWN FROM PREVIOUS  
LEVELS AND BALANCE OF TRADE FIGURES FIRMLY IN THE  
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BLACK, HE CHARACTERIZED GOVERNMENT PROPOSED MEASURES

TO TURN AROUND THE DOMESTIC ECONOMY AS THE "RIGHT PLAN AT THE RIGHT MOMENT." LATER IN HIS ADDRESS HE CASTIGATED THE OPPOSITION FOR TREATING A 'POPULARLY ELECTED GOVERNMENT' AS "PLAGUE-BEARERS" BY REFUSING TO ACCEPT GISCARD'S OFFER OF PRIOR CONSULTATION ON THE GOVERNMENT'S PROGRAM. IN HIS FOLLOW-UP TO THE PRIME MINISTER'S ADDRESS, FINANCE MINISTER FOURCADE ASSURED THE NATION THAT THE GOVERNMENT PROGRAM WOULD ENTAIL NO INCREASE IN DIRECT TAXES.

2. THE OPPOSITION: MITTERRAND AND MARCHAIS' SPEAKING FOR THE OPPOSITION, REFUSED FOR THE MOST PART TO BE DRAWN INTO AN ITEM BY ITEM REFUTATION OF THE GOVERNMENT PROGRAM. INSTEAD THEY PORTRAYED CURRENT ECONOMIC DIFFICULTIES AS THE INEVITABLE RESULT OF THE CAPITALISTIC SYSTEM AND THE GOVERNMENT'S PROGRAM AS A HOPELESS STOP-GAP MEASURE. WHILE IN AGREEMENT THAT THE PROBLEM WAS SYSTEMIC, COMMUNIST AND SOCIALIST LEADERS DIFFERED IN THEIR APPROACH TO A SOLUTION.

3. THE OUTCOME: WHILE IN ONE SENSE THE CHIRAC GOVERNMENT CAN CONGRATULATE ITSELF ON THE PROGRAM'S OVERWHELMING (AS EXPECTED) APPROVAL, IT IS, NEVERTHELESS, TRUE THAT A NUMBER OF IMPORTANT MAJORITY DEPUTIES EXPRESSED SERIOUS RESERVATIONS. MICHEL DEBRE (UDR) CRITICIZED THE PLAN FOR IGNORING INTERNATIONAL MONETARY DISEQUILIBRIUM AND ITS EFFECT ON THE FRENCH ECONOMY. CHALANDON, ALSO A UDR MEMBER, DEPLORED THE FACT THAT THE GOVERNMENT TURNED TO ITS OWN EXPERTS FOR SOLUTIONS RATHER THAN SEEKING THE ADVICE OF PROFESSIONALS AND UNIONS. CENTRIST JEAN MARIE CARO LAMENTED THE LACK OF MEASURES TO PROMOTE INCREASED REGIONALISM IN THE PLAN. ROGER CHINAUD (RI) LAMENTED WHAT HE TERMED "THE DEVALUATION OF PARLIAMENT IN THE BUDGETARY PROCESS."

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HE CALLED ON GISCARD TO PROVIDE LEGISLATION TO PROVIDE PERIODICAL REPORTS ON THE PLAN'S IMPLEMENTATION.

4. EMBOFFS, PRESENT FOR PART OF THE EXTRAORDINARY SESSION, NOTED THE ACRIMONIOUS RECEPTION MAJORITY AND OPPOSITION DEPUTIES ACCORDED ONE ANOTHER'S SPEAKERS. HECKLING, SNEARS, AND CATCALL WERE THE ORDER OF THE DAY, WITH PRESIDENT EDGAR FAURE REPEATEDLY CALLING FOR ORDER. OFTEN ENTIRE SECTIONS EMPTIED UPON COMPLETION OF DEPUTIES' SPEECHES. AT ONE POINT, MARCHAIS, STRUGGLING TO MAKE HIMSELF HEARD OVER MAJORITY JEERS' TURNED TO THE OPPOSITION BANKS AND RUEFULLY REMARKED "THEY CALL THIS DIALOGUE."

5. COMMENT: THE SESSION WAS CHARACTERIZED BY ACCUSATIONS FROM BOTH MAJORITY AND OPPOSITION SPEAKERS THAT THE OTHER SIDE HAD FAILED TO ENTER INTO PRODUCTIVE DIALOGUE ON THE NATION'S ECONOMIC PROBLEMS. PRESS AND PUBLIC OPINION SEEMED HARD PUT TO AGREE ON THE SESSION'S POLITICAL SIGNIFICANCE. SOME JOURNALISTS -- AND NOT LIMITED OFFICIAL USE

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ONLY THOSE ON THE LEFT -- FELT THAT THE SESSION REVEALED THE OPPOSITION AS LESS DIVIDED THAN HAD BEEN PREVIOUSLY ASSUMED. OTHERS INTERPRETED THE DIFFERING APPROACHES OF MITTERRAND AND MARCHAIS AS EVIDENCE OF A NEAR-TOTAL LACK OF CONCERTATION ON THE LEFT. WHATEVER THE CASE, THE APPROACHES OF MARCHAIS AND MITTERRAND DIFFERED SIGNIFICANTLY. MARCHAIS ATTACKED THE GOF PLAN AND OFFERED THE COMMON PROGRAM AS AN ALTERNATIVE, THUS RETURNING TO A PROPOSED SOLUTION HE HAD IGNORED SINCE LAST MAY. MITTERRAND, ON THE OTHER HAND, PRESENTED A CLEARLY DEFINED THREE-STAGE PROGRAM OF HIS OWN. WE FEEL RECENT INTER-PARTY CLASHES OVER PORTUGAL ARE

UNDOUBTEDLY MORE RESPONSIBLE FOR THESE DIFFERENT  
APPROACHES TO FRENCH ECONOMIC PROBLEMS THAN ARE ANY  
REAL DIVISIONS IN THE UNITED LEFT OVER ECONOMIC ISSUES.  
END COMMENT.

6. EMBASSY REPORTS ECONOMIC ASPECTS OF GOF PROGRAM IN  
SEPTEL.  
RUSH

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## Message Attributes

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